

Product

- HW → Server, Client
- Output, Input
- Netw
- SP SW
- App SW

Cent/Decr

Intell/Action

Alt/Feature

Facilities

- Wiring
- Space P-related - Elec, HVAC
- Phys moves

Admin Overhead (ALP, Inv, Accounting, treatment)

Paul Suc

- Install
- Train
- Manage
- Repair

Cent/Decr

Internal (Employee) Sucs

| Dedicated | Full Time | Part-Time |
|-------------|-----------|-----------|
| Central | | |
| "Work Group | | |

Self Vol

Direct/Indirect (mgt)
(Fringe)

Functions

- Install
- Troubleshoot
- Fix
- Training
- Education
- Sys Maint
- Sys mgt/Admn
- Netw mgt
- Rel control
- Operation

Help Desk
(Munis)

Time & Motion
Distance
key stroke capture

250k each/sponsor
15-20 sponsor

1979 Best Allen
Office function



INPUT

CONFIDENTIAL—Property of INPUT

MAIL LIST - SEE BACK

CONTACT REPORT

Non Client/Prospect File: Media Financial Other _____

INPUT INPUT office Client Office
Staff: Init. Init.

Contact Date: / /

Date Written: / /

| Company | Compag | DISTRIBUTION: | Prog./Proj. ID | | |
|-------------------------|----------------|---------------|----------------|---------|---------------------|
| Name | David Gaston | Action | Info. | By When | Describe Action-F/U |
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| Via Mike Dishman | | | | | |
| Net | | | | | |
| Cost of | | | | | |
| Democracy | | | | | |
| TOC | | | | | |
| did | | | | | |
| before | | | | | |
| Netw: | | | | | |
| Install / Init + add-on | | | | | |
| Etc (sp) | | | | | |
| Ded Init | | | | | |
| Sup | | | | | |
| Work Group | | | | | |
| VM | | | | | |
| text | | | | | |
| W7 | | | | | |

Continued over

Mail List Change Order Update Correction Deletion Addition* Serial Number _____**U.S. COMMERCIAL**

1. TYPE Vendor User Investor / Financial Media / Press Other EDI Newsletter

2. LEVEL Executive Manager Analyst Acquisition International Other

3. INTERESTS C/S Computer Systems Networks EC Information Services —
 EIS / CIS / Multimedia Other
 Industry _____

- Software Products
- Professional Services, SI
- Outsourcing, Processing, Network Services

U.S. FEDERAL MMAR FPAP FPAW FPFA Other

EUROPE CSPR MAAP MSSP MVPP BIPR OSPR U.S.A. Other

* No names will be added without a completed change order and program manager approval. Program Manager Authorization

CONTACT REPORT Company _____

Continuation _____

Name _____

Computer Reseller News

Computer Reseller News Sep 16, 1996 n701 pS1(2)

Heading down the path to profits.

(companies rely increasingly on resellers for network service and support)(Benchmarks: The Networking Opportunity supplement) (Industry Trend or Event)

Author

Merrill, Kevin

Abstract

A survey by The Gallup Organization Inc has determined that 68 percent of large companies depend on the services of resellers for network system maintenance and repair, while 40 percent use resellers for system or network integration. Fifty-five percent of midsized companies use resellers for system maintenance, 52 percent rely on them for system or network integration and 35 percent of training. Forty-six percent of small companies use reseller services for system maintenance, 35 percent for training and 33 percent for network integration. Large firms plan to spend an average of \$1.04 million on service and support in 1996, compared to \$1.02 million in 1995, while midsized companies expect to increase their spending for reseller service and support by 18 percent to an average of \$120,000, and small companies will increase their spending for service and support to an average of \$30,000 in 1996, a slight increase from an average of \$29,000 in 1995.

Full Text

System maintenance, training and network integration are the top skills corporate America seeks from its reseller partners in the service and support area, according to results from the latest Benchmarks networking poll.

The survey, conducted for CRN by The Gallup Organization Inc., found nearly 68 percent of large companies rely on resellers for system maintenance and repair, while 48 percent depend on the channel for training. Some 40 percent turn to the channel for system or network integration. (In the survey, respondents could name more than one service and support function.)

Among midsized companies, the priorities were slightly different. More than half use the channel for both system maintenance (55 percent) and system or network integration (52 percent). Training was cited by just 35 percent.

Among small-company respondents, 46 percent depend on resellers for system maintenance, 35 percent for training and one-third for network integration.

The survey found that all three classes of business users intend to step up their spending on service and support this year, with the greatest increase expected among midsized businesses. In the poll, midsized companies are defined as those with annual sales revenue of between \$20 million and \$500 million.

Respondents at large companies said they will spend an average of \$1.04 million each on service and support this year, up slightly from \$1.02 million in 1995.

Midsized companies, however, project an average increase of nearly 18 percent for service and support expenditures this year. The projected spending level per company is expected to rise from \$102,000 in 1995 to \$120,000 in 1996.



Small companies, which in general have been slower to embrace networking products, expect their service and support spending to rise only slightly to \$30,000 from last year's average of \$29,000.

In anticipation of the continued growing need for service and support, especially among midsize businesses, more channel companies are developing new programs or heavily promoting existing expertise in areas such as system maintenance, training and network integration.

The goal of many channel players is not only to gain incremental revenue and account control, but also to prove that LAN- and WAN-related IT investments can be better managed with the right processes and software tools.

Integrators that are finding success in providing services said the reasons for the growing revenue are self-evident--namely, that the multivendor, complex nature of today's IT infrastructure requires abilities and instincts found increasingly outside the business users' hallways.

"The concept is one often referred to as a 'virtual corporation,' which is to do what you're good at, focus on your core competency, and partner or outsource where you're not strong," said Richard Nathanson, senior vice president of network integration and professional services, Entex Information Services Inc., Rye Brook, N.Y.

"We have a number of studies we've done on our own with clients determining the true cost of ownership," he said. "People are discovering that [service and support] is not their core competency."

Ed Anderson, president and chief executive of CompuCom Systems Inc., Dallas, said the issue of "core competency" is the prime reason more companies are turning to the channel.

"We're really doing two things for them," he said. "The problem we're solving for them is either LAN/WAN project deployment or it's help desk. The business may be complicated, but those two get us everything we do."

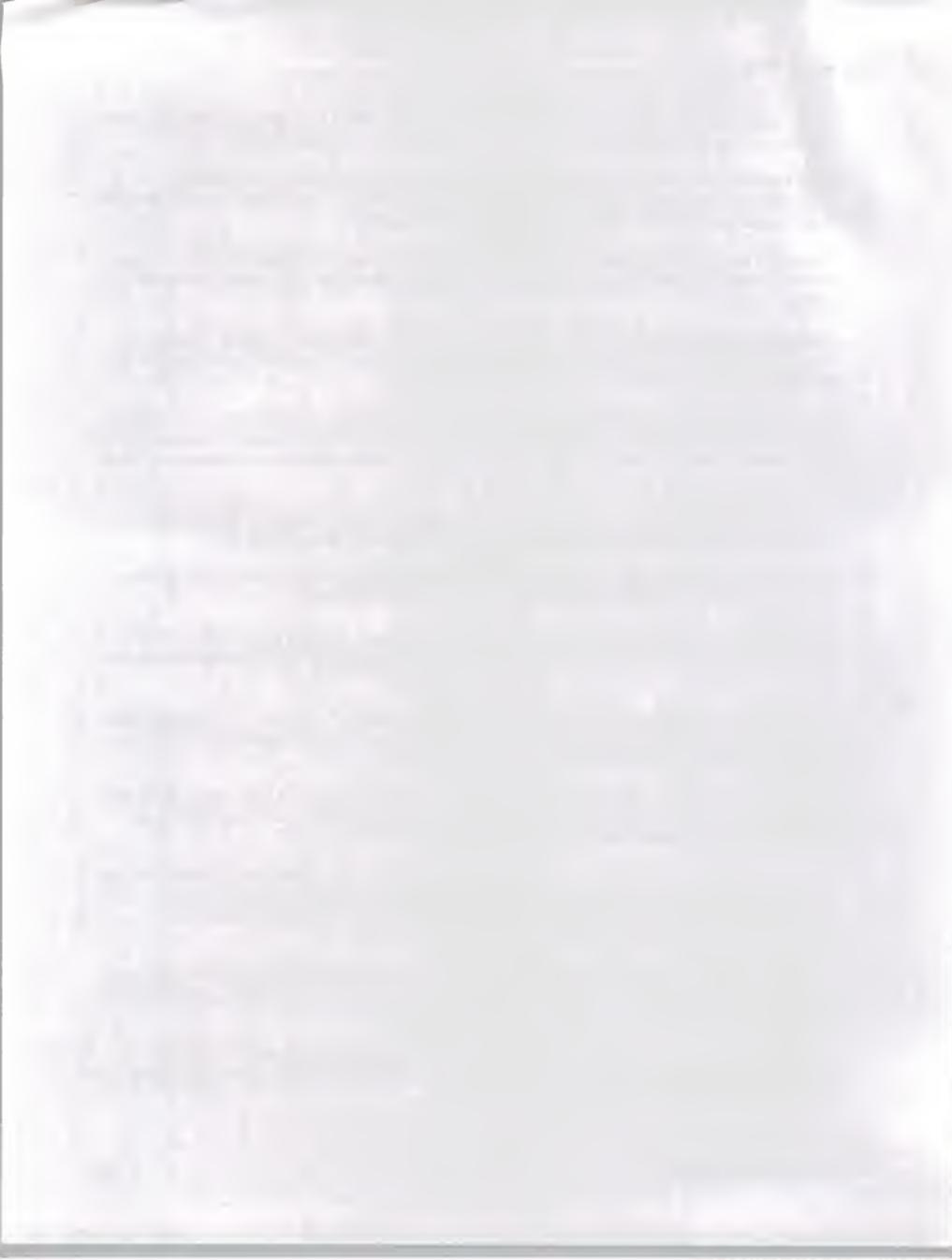
Jack Chidester, executive vice president of sales and marketing with XLConnect Inc., the integration arm of Intelligent Electronics Inc., Exton, Pa., said companies of all sizes are looking for less expensive and more efficient service alternatives, without sacrificing effectiveness.

And while the ability to procure, configure, ship, install and maintain systems and networks is the channel's greatest asset, those are not the only service opportunities, Chidester said. Project management and application development are sometimes more important.

"There are those companies that are just looking toward us for application development and that need help with group-oriented technologies, such as Lotus Notes or Exchange," Chidester said. "At the same . . . time, while addressing the corporate enterprise, it is important to them that they can hold one necktie accountable, and that they can count on one organization."

"The small and medium-sized companies are characterized by the same level of complexity that the large organizations are faced with, but without the same level of resources. The IT infrastructure of any corporate enterprise . . . is becoming one of their most strategic assets," he said.

"Therefore, recognizing their company's ability to compete effectively is dependent on having an IT infrastructure that meets their objectives today, is scalable in the future [and] is congruent with helping them achieve their objectives," Chidester added.



Company

Gallup Organization

Topic

Market Trend/Market Analysis

VAR

Review of Past Year

Computer systems integration

Record #

18 692 611



InformationWeek

InformationWeek Sep 9, 1996 n596 p20(2)

NCs and the killer app.

(IBM's Network Station network computer, Oracle's InterOffice multimedia e-mail killer application)

Author

Gambon, Jill
Stahl, Stephanie

Abstract

IBM is introducing its \$700 Network Station network computer (NC), an inexpensive thin client that provides users with low-cost access to corporate intranets and the Internet. The product ships with 8MB of RAM, an IBM PowerPC microprocessor, keyboard, mouse and network adapter. Network Station complies with the NC Reference Profile standards and supports network access over intranets using token ring and Ethernet connections. The NC can access Java, Unix, Windows NT, OS/2 and several IBM servers. Network Station will ship in late 1997. Oracle is introducing its InterOffice workgroup software, a Web-based messaging suite that will perform as an interface to the NC. Oracle's killer application for the NC, which will be included with InterOffice, will be multimedia e-mail that includes video, sound and graphics.

Full Text

The network computer is here, but are users ready for it? After a year's worth of hype, major vendors finally are starting to put their money where their mouths are in terms of the NC, the low-cost thin client that promises easy and inexpensive access to the Internet and corporate intranets.

Last week, IBM introduced its \$700 Network Station, the first in a line of NCs that it plans to bring to market. Meanwhile, Oracle Corp., the most ardent proponent of the network computer, laid out its NC strategy for customers in New York, including a delivery schedule for what Oracle CEO Larry Ellison terms the NC's "killer app"-multimedia E-mail.

IBM's Network Station, an 8-inch-by-10-inch, 2.5-pound device, is aimed squarely at the company's business market: 3270 terminals. "This is intended for people who have fixed-function terminals to access a single application," says Irving Wladawsky-Berger, general manager of IBM's Internet division. There appears to be plenty of opportunity: According to IBM's estimates, more than 35 million nonprogrammable terminals are in operation worldwide.

IBM's Network Station will comply with the NC Reference Profile, a set of industry standards put forth earlier this year by IBM, Oracle, Sun, and several other major vendors. Those standards include support for Netscape Navigator and Sun's Java programming language. The Network Station also will support network access over intranets using Ethernet and token ring connections, and can concurrently access Java, Windows NT, Unix, OS/2, and IBM's AS/400, RS/6000, and S/390 servers, as well as Internet and Lotus Notes groupware applications.

The IBM device will be manufactured jointly by IBM and Network Computing Devices Inc., a Mountain View, Calif., maker of X-terminals that markets its own line of NCs. The Network Station will come with the IBM PowerPC microprocessor, 8 Mbytes of RAM, network adapter, keyboard, and mouse. A monitor is optional. The Network Station will begin shipping by year's end.

Wladawsky-Berger and others admit the machine won't dethrone the PC as king of the desktop. "Making it



easier to get connected is what the NC is all about. It has nothing to do with replacing computers for those who are happy with their [PCs]," he says.

David Whitten, an analyst with Gartner Group Inc., an IT advisory firm in Stamford, Conn., agrees. "There is certainly a role for thin clients in the business community, but it won't displace the PC," he says. "Most people will stick with fully configured devices, but employees who can't justify full-function PCs still deserve access to browsing and E-mail."

That's the key, according to Ellison. He says the killer application for the NC will be multimedia E-mail, or messages that include sound, video, and graphics. Oracle says it's ready to deliver that application with InterOffice, its Web-based messaging suite that will serve as Oracle's interface to the NC. Scheduled to ship late this month, InterOffice includes E-mail, scheduling, and document management. The next release, scheduled to ship in the first quarter of 1997, will include a workflow component that will help automate business processes such as purchasing.

Connect For Less

Oracle sees the NC as the key to its plans for connecting corporations—everyone "from the CEO to the security guards," says Ellison. By using a Web-based interface, any client will be able to access any server, making the operating system irrelevant.

"We have customers who have casual PC users. They aren't power users. They need E-mail," says Ray Lane, Oracle's president. "Those companies can see that they can lower their computing costs with an NC."

Cost of ownership may be the NC's real killer app. "People are exhausted from PCs," says Richard Finkelstein, president of Performance Computing Inc., a Chicago consulting firm that specializes in client-server and Internet applications. "The NC story sells itself up and down the line. There's a very low cost of ownership."

Managing NC applications on the server can trim hardware, software, and management expenses by 50% to 75% over PCs, IBM claims, citing a recent Gartner Group survey that found networked PCs cost about \$11,900 annually to own, including expenses for software upgrades and administrative services.

That message resonates with consumer products manufacturer S.C. Johnson & Son Inc. in Racine, Wis. The company could reduce workstation support costs by 66%—from \$60 to \$20 per month per PC—by using thin clients, says Negliso Abdullah, director of global network and data center operations for S.C. Johnson. The company will offer each of its business units the option of migrating to thin clients. Abdullah estimates that nearly two-thirds of the company's 3,000 workstations could be converted.

But not all IS people share Abdullah's enthusiasm. "I don't think the need for the horsepower of a PC will go away," says Bob Thurmond, director of the Telecommunications Research Center at the University of Louisville. The biggest obstacles, says Thurmond: server-based applications that aren't sophisticated enough and bandwidth constraints. Until those issues are resolved, Thurmond isn't interested. "Does the announcement of IBM coming out with a \$700 device make me change my plans?" he asks rhetorically. "It's like buying a \$79 suit. You might not even wear it to your own funeral."

Don Brett, CIO of Detroit Edison, has no plans to invest in thin clients any time soon. "I'd just as soon not horse around with the PC's capability," says Brett, an Oracle customer who has been testing InterOffice and plans to roll it out to 5,000 users. Brett concedes there may be a market for low-cost network computers, but believes it won't take off as quickly as Ellison and other NC proponents believe.



John Logan, president of the Aberdeen Group, an IT consulting firm in Boston, thinks a killer app for the NC is less important than the infrastructure IBM and Oracle are creating. "IBM will put the system and infrastructure in place," says Logan. "Once it's there, [software vendors] can write applets quickly." Logan expects IS managers to accept thin clients because NCs will eliminate the plethora of operating environments and the headache of software upgrades. He adds: "It'll be a common operating environment that doesn't exist today."

Type

Product Announcement

Company

International Business Machines Corp.
Oracle Corp.

Product

IBM Network Station (Information appliance)
Oracle InterOffice (Workgroup software)

Topic

Hardware Product Introduction
Information Appliance
Networking Software Product Introduction
Workgroup Software

Record #

18 688 670



PCWEEK

PC Week August 26, 1996 v13 n34 p57(1)

Cutting the cost of (computer) living.

(cost of ownership will become a more important consideration when corporations buy PCs) (Berst Mode)
(Industry Trend or Event)

Author

Berst, Jesse

Abstract

Cost of ownership will become a more important consideration when companies buy PCs, in part because they have come to disbelieve the claims of vendors about lifetime computing costs. In the past all PCs had about the same cost of ownership, but now the machines are adding features that affect the lifetime cost of a PC. Compaq's Deskpro chassis has been redesigned to make it easier to add and remove cards and the motherboard, and many Compaq machines have an internal sensor that notifies network administrators when the cover is removed. Compaq's Intelligent Manageability features are now included in all its business desktop machines, and the company is promoting the Web-based Enterprise Management standard. Compaq is extending its SmartStart preconfigured servers to more models and software. Microsoft is working with Compaq and other vendors on the Manageable PC.

Full Text

Earlier this summer, I discussed hardware trends, predicting (among other things) that Compaq would initiate a notebook price war. Compaq did, in fact, make a pre-emptive pricing move just recently.

Now I'm back to make another hardware prediction, this one with more far-reaching consequences. I believe corporate customers are going to change the way they buy computers. They will use a new criterion for selecting brands--cost of ownership. Vendors have given lip service to the concept for years, but now they are finally taking it seriously. So should you.

The Lifetime channel.

Here's what I want you to tune in on. What the vendors used to say about lifetime computing costs was baloney. Oh sure, there were a few extended warranty programs, but for the most part all brands had about the same cost of ownership. Today, however, we're finally seeing features that affect the cost of operating a computer over its lifetime. Let me show you what I mean. I'll use Compaq as an example, but similar programs are under way at Dell, Micron, IBM, Digital and other hardware makers vying for the corporate market.

Ease of maintenance: Compaq redesigned the Deskpro chassis to address cost of ownership. The new screwless cases have an add-in card cage that houses all peripheral cards for easy removal. Take out the card cage and the entire motherboard slides out--no screwdriver needed.

Security: Many Compaq models have an internal sensor that can notify the network administrator if the desktop cover is removed.

Manageability: Compaq recently made its Intelligent Manageability features standard across all business desktops, even entry-level models. More importantly, it is working with other companies to promote a World



Wide Web-Based Enterprise Management standard. The effort integrates current standards--Desktop Management Interface, SNMP and HTTP--so that virtually any desktop or server can be managed using a Web browser. Compaq computers will have these features built in.

Software Installation: Compaq has already had great success with its SmartStart preconfigured servers. It is now working to extend the concept to more models and more software.

Software maintenance: You may have heard of Microsoft's consumer initiative, called the Simply Interactive PC. The company is not ignoring the business market. It is working with Compaq and other vendors on something called the Manageable PC, a combination of hardware and software features. (I even expect Microsoft to integrate some capabilities from its Systems Management Server directly into Windows NT.)

When it costs more to pay less.

A few years back, we reached the point when it was stupid to buy a PC without a CD-ROM drive. The benefits outweighed the costs. We are approaching the time when it will be stupid for a business to buy a PC without cost-of-ownership features such as the ones described above. The few dollars you save today will be quickly outweighed by higher maintenance costs tomorrow.

Jesse Berst is editorial director of ZD Net AnchorDesk (<http://www.zdnet.com/anchordesk>). It won't cost you a thing to send responses, comments and suggestions to jesse@jesseberst.com.

Type

Column

Topic

Computer Design
Industry Trend
Microcomputer Industry
Cost Benefit Analysis

Record #

18 624 669

